

File: 640

OLL 84-2743
14 August 1984

NOTE FOR: Director, Office of Legislative Liaison

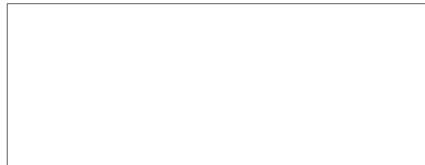
SUBJECT: GAO Investigation of CIA/Air Force Contracts

1. Today I received a call from GAO staffer Greg Pugnetti who wanted to report the results of GAO's briefing on 13 August 1984 of the House Committee on Government Operations, Subcommittee on Legislation and National Security, regarding GAO's investigation into the propriety of research contracts being executed by CIA with Air Force funds. Pugnetti said the briefing went well, and that GAO does not intend to do any more "detail work" (file and contract review) at CIA. He said GAO may still make a few phone calls to CIA for information deemed necessary in preparing a short, written report to the Committee, but there are no major, outstanding questions to be answered.

2. I suggested to Pugnetti that the Committee did not appear particularly interested in pursuing the matter, and he confirmed that, in his personal opinion, the Committee was losing interest in the topic. Apparently GAO did not present the Committee with any "significant findings," and Pugnetti indicated the Committee was impressed with the list of projects funded by Air Force money.

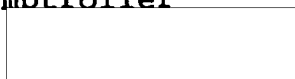
3. I asked Pugnetti for a copy of the draft GAO report before it is submitted to the Committee, and he thought there would be no problem in giving us a copy. Finally, he expressed total satisfaction with the treatment he and his colleagues received from all the CIA offices that provided information in recent weeks. Pugnetti said it was a "unique" experience, particularly since GAO is unaccustomed to leaving its working papers in the hands of the body being investigated.

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Liaison Division
Office of Legislative Liaison

cc: Chief, Legislation Division, OLL
Office of the Comptroller
DI Contract Team



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OLL 84-2902
10 August 1984

MEMORANDUM FOR THE RECORD

SUBJECT: GAO Study on CIA/Air Force Contracts

1. [] of the Office of Finance [] called to provide an update on the GAO investigation at the behest of House Committee on Government Operations, Subcommittee on Legislation and National Security, on contracts executed by CIA with Air Force funds.

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2. On 13 August 1984 at 1030 the GAO plans to brief staffers of the subcommittee on the initial findings of its review of CIA procedures. GAO has produced a working paper that will serve as the basis of its briefing. The working paper was reviewed by the Office of Finance and the Office of the Comptroller and classified as SECRET. The briefing will take place in the Rayburn Building, room B373, for staffers Leslie Megyeri, Tom Mason, and Cynthia Meadow (telephone number 225-5147).

3. According to [] GAO is planning a wrap-up session at CIA in the near future. At issue is some classified material on CIA procedures that has not been released to GAO by the Office of the Comptroller. GAO may also request a review of finished intelligence publications that resulted from the Air Force/CIA contracts.

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4. At the suggestion of D/OLL I informed the Office of the Comptroller (Norm Conde) of the 13 August briefing and asked him to inform Duane Andrews, HPSCI.

5. In a call to GAO Liaison Officer Frank Degnon, I was assured that GAO would insure that the Subcommittee staffers attending the briefing held valid SECRET clearances.

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